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SUBJECT: INFORMAL DISCUSSION OF G8 SUMMIT WITH THE  
DEPARTMENT OF FOREIGN AFFAIRS

Classified By: AMBASSADOR FRAZER; REASONS 1.4 (b/d).

11. (C) Summary. Ambassador Frazer told Foreign Affairs officials that the Monterrey agreements represent the correct blend of policies and initiatives to support growth in Africa. This view would again govern the U.S. approach to the G8 Summit. The U.S. had already exceeded its Monterrey commitments. She agreed that ODA has a role, but emphasized that the U.S. does not support calls to double ODA or the IFF. African countries should not expect major, new initiatives at Gleneagles. The U.S. would want to discuss debt relief. The Blair Commission report unfortunately focused on inputs, not outcomes; the U.S. would strongly resist attempts to use the report to embarrass the U.S. The Ambassador suggested that having climate change on the G8 agenda could present an opportunity to look beyond Kyoto. End Summary.

12. (C) At the request of the Department of Foreign Affairs (DFA), Ambassador Frazer met March 2 with officials of the Economic Directorate and the U.S. Directorate for an informal discussion of issues that may arise at the Gleneagles G8 Summit. Economic M-C accompanied the Ambassador. John Davies, Chief Director, Economic Development, explained that President Mbeki was keenly interested in plans of the summit. South Africa sees Gleneagles as the culmination of work begun at Kananaskis and is pleased that the UK had made Africa the focus of the summit. South Africa, however, is nervous that this might produce high expectations that would not be fulfilled. Davies said DFA was meeting individually with G8 ambassadors to obtain a sense of what might be expected to come out of the summit. DFA would subsequently brief President Mbeki.

13. (SBU) Ambassador Frazer said that the Pretoria-based G8 ambassadors had met several times to share informally information on planning for the summit. She underlined that the Sherpa process manages preparations for G8 summits and that local ambassadors could not speak authoritatively on the subject.

Development Assistance Debate  
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14. (C) The Ambassador stated that the U.S. believes that the Monterrey Development Financing Conference agreements represent the correct blend of policies and initiatives to support growth in Africa. Monterrey, correctly in the U.S. view, focused on outcomes, not inputs. She said that this philosophy would again govern the U.S. approach to the G8 Summit. The Ambassador emphasized that the U.S. had already exceeded its Monterrey commitments. It had also quadrupled its assistance to Africa. She asked if African countries were doing their part. Was NEPAD really producing better governance?

15. (C) Davies replied that South Africa believes that NEPAD is effectively separating out countries that are producing results in governance and economic development. NEPAD is heading in the right direction. South Africa accepts that good governance is needed, but financial resources are required, too. Davies argued that African countries that are making progress in governance and development should be assured of external support through ODA.

16. (C) Ambassador Frazer agreed that ODA has a role, but emphasized that the U.S. does not agree with the analysis arguing for a doubling ODA and therefore does not support this proposal. An exclusive focus on ODA only perpetuates dependency on ODA. The Ambassador recalled that the U.S. had established the Millennium Challenge Account and the President's Emergency Plan for AIDS Relief to respond to Africa Plan of Action and commitments made at Kananaskis. She also cited as an example of support for the Action Plan U.S. funding for training and equipment for African peacekeeping battalions.

17. (C) Davies said South Africa understood that some G8 members opposed ideas to increase ODA through initiatives such as a global tax. The Ambassador replied that a global tax was simply out of question. She also said the U.S. would not agree to the IFF. We cannot do it constitutionally. If others want to establish the IFF, that is fine. They can go ahead. Davies replied that an IFF was probably not possible;

perhaps a small, pilot facility might be established to focus on a specific issue, such as Malaria.

#### G8 Summit Outcomes

18. (C) The Ambassador emphasized that the G8 was committed to helping address Africa's development challenges; the debate at Gleneagles would again be on how to do it. The Ambassador told the DFA officials that African countries should not expect that the G8 would agree on everything and they should not expect major, new initiatives. Gleneagles was unlikely to produce financial commitments for specific NEPAD projects, for example. The U.S. approach at Gleneagles would likely concentrate on outcomes. The U.S. would like an evaluation of what the G8-Africa partnership had accomplished over the last five years. The Ambassador assured Davies that there was room for consensus at Gleneagles.

19. (C) Ambassador Frazer told the DFA officials that the U.S. would want to discuss during the summit proposals to help the poorest countries further address the sustainability of their debt burden. She noted that the U.S. had proposed that the IDA, AfDF and bilateral creditors write off 100 percent of debt for qualifying HIPC countries. Econ M-C pointed out that U.S. Treasury officials had discussed our initiative with the South Africa Finance Minister on several occasions and provided the DFA officials with a non-paper and fact sheet on debt relief.

110. (C) Noting that five European countries now met the UN target of 0.7 percent of GDP for ODA, Davies asked if the U.S. would consider committing to this goal. The Ambassador said she could not imagine the U.S. accepting this target. She reminded the officials that the U.S. was the largest single ODA donor. Ambassador Frazer emphasized that in absolute terms U.S. ODA was far more important than the 0.7 percent of GDP ODA of those five European donors.

111. (C) Asked by U.S. Director Jan van Vollenhoven what she would like to see come out of Gleneagles, the Ambassador suggested agreements to cancel debt and to end agricultural subsidies and domestic supports. She also said she would like to see the Congo put on the table and an agreement reached on G8 coordination to support that peace process. She hoped the G8 and African countries would look at the development challenges and commit money to address them, not debate an artificial target for ODA levels.

112. (C) Asked if the G8 would move at Gleneagles to integrate their financial initiatives, the Ambassador noted that during their recent meeting President Mbeki had recalled such an agreement at Sea Island. The Ambassador noted that this was not the U.S. understanding.

113. (C) Davies expressed concern about references to a &final8 African Personal Representatives (APR) report and wondered what would be the future of the APRs. The Ambassador said the APRs now appear to be semi-permanent as G8 representatives in the Africa Partnership Forum (APF). She noted that the APF was perhaps a better forum for follow up on G8 initiatives as it included other bilateral donors, multilateral donors and regional organizations. The Ambassador also pointed out that G8 Summit participants would be faced with two reports on Africa, one from the Africa Personal Representatives and one from the Blair Commission, in all over two hundred recommendations. Which plan would prevail?

#### Commission for Africa

114. (C) Asked to comment on PM Blair's Commission for Africa report, the Ambassador noted that the U.S. and UK had consulted regularly on the project. She said that the U.S. felt that donor countries had studied Africa's development problems enough and the focus should now be on actions to solve the problems. The Commission's work, however, again focused on inputs, not outcomes. The Commission report was really a platform for NGOs to argue for more assistance. The Ambassador said the U.S. would not oppose European governments giving more development assistance if they wished. The U.S., however, would strongly resist attempts to use the Blair Commission report to embarrass it.

115. (C) Davies noted the overwhelming international response to the Asian tsunami disaster and asked why the international community could not respond similarly to the Blair Commission report. The Ambassador pointed out that while the tsunami was a natural disaster, Africa's disasters were largely man-made; e.g., Cote d'Ivoire, Congo and Sudan. She emphasized that the U.S. would always provide humanitarian assistance and noted as examples food aid to Afghanistan even with the Taliban and HIV/AIDS assistance for Haiti. She said the U.S. Congress always supported humanitarian assistance, but it was skeptical of arguments for funding to address self-inflicted disasters. Davies

acknowledged that the U.S. had always responded generously to humanitarian disasters.

#### Climate Change

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116. (C) Davies asked if the UK had consulted with the U.S. before making climate change one of its priorities for the G8 Summit. The Ambassador opined that the two governments had probably consulted and pointed out that having climate change on the agenda could present an opportunity to look beyond Kyoto. She underlined that the U.S. supports the need to address climate change and is, in fact, taking concrete steps to address it. The U.S. just does not believe that Kyoto is the best way to do it. Econ M-C noted that the U.S. has numerous initiatives under way to address climate change and provided DFA officials a fact sheet on U.S. programs. He also pointed out that the U.S. and South Africa cooperate in many climate change initiatives, including a bilateral dialogue, the Group on Earth Observations and the Carbon Sequestration Leadership Forum.

FRAZER